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INFO RUEHAC/AMEMBASSY ASUNCION 6280
RUEHRL/AMEMBASSY BERLIN 1067
RUEHBO/AMEMBASSY BOGOTA 1581
RUEHBR/AMEMBASSY BRASILIA 6145
RUEHLP/AMEMBASSY LA PAZ JUN MONTEVIDEO 6541
RUEHPE/AMEMBASSY LIMA 2077
RUEHQT/AMEMBASSY QUITO 0944
RUEAIIA/CIA WASHINGTON DC
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UNCLAS BUENOS AIRES 001248

SIPDIS

SENSITIVE
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ICE/OIA FOR GERARDO CHAVEZ

E.O. 12958: N/A

TAGS: [ETTC](#) [KCRM](#) [PGOV](#) [PREL](#) [AR](#)

SUBJECT: ARGENTINA: INVESTIGATION INTO SUSPECT WEAPONS
PARTS EXPORTS CONTINUES

11. (SBU) THIS INFORMATION IS LAW ENFORCEMENT SENSITIVE.

12. (SBU) Summary: A judicial investigation into a suspected tax evasion and, perhaps, arms smuggling case, involving Farmington, Connecticut-based company JLD Enterprises, continues here. Argentine customs and judicial authorities have requested assistance from ICE and CBP to assist on the U.S. side with the investigation into the shipping of used and/or spare weapons parts from Argentina to the U.S. Apart from the shipment halted in Buenos Aires, CBP in Hartford, Connecticut and Argentina's Trade Transparency Unit (TTU) identified another shipment bound for JLD originating in Germany. However, this shipment of spare weapons parts from PAW PROPPE, a German firearms distributor, had all its shipping manifests and customs documentation in order and no anomalies were uncovered. The Argentine investigation was leaked here to the press, which began the speculation about arms trafficking and supposed links to criminal and terrorist organizations, such as the FARC and Brazilian drug trafficking gangs. As yet, Post is unaware of any evidence supporting these claims. ICE/CBP in Hartford is looking at customs documentation from earlier shipments from Argentina to JLD, and Argentine officials continue the investigation in Buenos Aires. End Summary.

13. (SBU) In February 2007, Argentina's Trade Transparency Unit (TTU) flagged a shipment of used and/or spare weapons parts being shipped from Buenos Aires by U.S. company JLD Enterprises to its headquarters in Farmington, Connecticut. JLD is owned by Argentine citizen and U.S. resident Jose Luis Diaz. The shipment caught TTU's attention because of the apparent discrepancy in the value of USD2,600 assigned to a planned shipment of what has been variously described by the press as either 6,700 kilos of used arms parts/scrap metal or 6,700 individual arms parts. According to press reports here, JLD had a contract worth some USD310,000 with Fabricaciones Militares, the Argentine parastatal arms manufacturer, to buy and ship used parts/scrap metal to the U.S.

14. (SBU) Argentine Customs contacted Mission's ICE representative at the Buenos Aires Port Container Security Initiative (CSI). In March 2007, the ICE Attache initiated

an investigation based on the information TTU/Argentine Customs provided. ICE Attache contacted the Resident Agent in Charge (RAC) Hartford, Connecticut. RAC Hartford, in connection with the CBP National Targeting Center CBP/NTC and TTU Argentina, identified seven containers bound for JLD originating in Germany. Those containers, shipped by PAW PROPPE, a German firearms distributor, were inspected by CPB but the cargo matched the customs broker's customs entry documentation and invoices. RAC Hartford and CBP are looking to see if the spare parts shipped from Germany and those from Argentina match, i.e. to see if the parts from the various shipments can be assembled into complete firearms.

15. (SBU) In addition to the one shipment that was flagged before leaving Argentina, RAC Hartford indicates they have identified and obtained the U.S. Customs Entry forms for 36 previous shipments from Argentina with the same importer and exporter. ICE Attache is working with Argentine Customs to obtain additional shipping documents here. As JLD is aware of the investigation in Argentina and the scrutiny in the U.S., it is highly unlikely there will be any more suspicious shipments from Argentina to the U.S., limiting ICE to reviewing historical documents and making it difficult to uncover any illegal activity.

16. (SBU) ICE Attache contacts and the Argentine press speculate that the used parts/scrap metal are Argentine military weapons that are sold as "used" and/or "scrap" by corrupt officials to a group of individuals, reportedly to include Jose Luis Diaz. Allegedly the parts are shipped to the U.S., reassembled into complete weapons and sold by JLD Enterprises. The press goes on to speculate that some of

these weapons have found their way into the hands of criminal and terrorist organizations in Latin America, such as the FARC and Brazilian drug trafficking gangs. Embassy is unaware of any evidence supporting these allegations, but the investigation here in Argentina is not without precedence. There is an ongoing investigation, initiated in 2002, after a number of Argentine Military weapons from Fabricaciones Militares, including rifles, machine guns, pistols and grenades, turned up in Brazilian favelas.

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